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YCO DEUXMIL PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

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YCO Deuxmil Plc

Contents of the Financial Statements
for the year ended 31 December 2008

	Page
Company Information	1
Chairman's Statement	2
Chief Executive Officer's Statement	4
Directors Report	5
Corporate Governance Report	10
Profile of Directors	12
Report of the Independent Auditors	13
Consolidated Income Statement	15
Consolidated Statement of Changes in Equity	17
Consolidated Balance Sheet	18
Company Balance Sheet	19
Consolidated Cash Flow Statement	20
Notes to the Consolidated Cash Flow Statement	21
Company Cash Flow Statement	22
Notes to the Company cash Flow Statement	23
Notes to the Financial Statements	24

YCO Deuxmil Plc
Company Information
for the year ended 31 December 2008

DIRECTORS:	L J Milton (Resigned 29 September 2008) N Miller C A Smith P Jay P Shea (Appointed on 18 January 2008) C Birkett (Appointed 27 May 2008) G Wright (Appointed 27 May 2008)
SECRETARY:	C A Smith
REGISTERED OFFICE:	Finsgate 5 - 7 Cranwood Street London EC1V 9EE
NOMINATED ADVISER:	W H Ireland Limited 11 St. James's Square Manchester M2 6WH
BROKER:	Religare Hichens, Harrison & Co. Plc Bell Court House 11 Blomfield Street London EC2M 1LB
SOLICITORS:	Beachcroft LLP 100 Fetter Lane London EC4A 1BN
BANKERS :	HSBC Bank plc 70 Pall Mall London SW1Y 5EZ
REGISTRARS:	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
REGISTERED NUMBER:	05011189 (England and Wales)
AUDITORS:	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
WEBSITE:	www.ycodeuxmil.com

YCO Deuxmil Plc

Chairman's Statement **for the year ended 31 December 2008**

It gives me great pleasure to present the figures for the year ended 31 December 2008.

Financial Highlights

Revenue	£28,501,012	(2007: £16,633,307)
Gross Profit	£5,274,346	(2007: £1,511,582)
Loss for the year	£684,079	(2007: Profit £409,849)
Fuel tonnage sold	29,870MT	(2007: 30,860MT)
Number of yachts fuelled	288	(2007: 303)

Review of the Business

On 1 May 2009, the Group released a trading update for the year ended 31 December, 2008, regarding the performance of the individual operating companies within the YCO Deuxmil group (the "Group"). Highlighted in this statement were:

- the increased number of yachts under YCO Management and Project Management (New Construction);
- the expanded operations of Yacht Help Group; and
- strong Yacht Fuel Services performance.

As well as the costs of restructuring following the acquisition of YCO S.A.M. in May 2008, the Group has been faced with a major downturn in the global economy and the additional cost incurred following further reorganisation. The combined result of this together with the slowing in yacht sales and charter activity over the last quarter of the year is that the Group made an overall loss for the period of £684,079.

The board anticipates that trading conditions will remain difficult over the next 12 months but believe that actions taken between October 2008 and March 2009 will have a positive impact for the year ending December 2009.

The Group has continued to invest in group integration and CRM systems and will soon see the benefits of this. YCO LIVE, the internet based management portal project, is now fully operational and has been installed on around 90% of yachts managed by the Group. The board believes the interest generated by YCO LIVE will be reflected in an increase in the number of yachts under management. Yacht management as an ongoing service (on annual contracts) benefits the Group in the form of recurring monthly revenues.

Future Outlook

It is the view of the board that in 2009 yacht sales and charter income will be lower than that achieved in 2008 and this has been considered during the restructuring of the Group's operations. There has been some recent increased charter activity and similar movement in the sales market. However, the board retains a cautious view of prospects in this area during 2009.

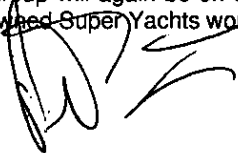
The weaker pound will have a positive effect on results for 2009 as Group turnover is contracted in Euro and US dollars. The Group anticipates a benefit when this is converted into pounds sterling for accounting purposes.

YCO Deuxmil Plc

Chairman's Statement
for the year ended 31 December 2008

Summary

The board extends its gratitude to all employees of the Group for their hard work and dedication during difficult times. With the board's latest recommendations implemented, the directors believe the Group will again be on course to become one of the world's major providers of services to privately owned Super Yachts worldwide.



Peter Jay
Non Executive Chairman

Date: 22 June 2009

YCO Deuxmil Plc

Chief Executive Officer's Statement
for the year ended 31 December 2008

This report follows the trading update in May 2009, which highlighted the individual companies' trading positions.


The global financial turmoil in the final quarter of 2008 and the first 3 months of 2009 had a significant impact on the Group's business and resulted in the Directors and Management being forced into reactive as opposed to proactive management while we dealt with problems as they occurred.

This, coupled with the time consuming and costly task of reorganising each operating company, contributed to the Group making a loss for the year. However, I am confident that the necessary restructuring has now largely completed and we are on course to see improved performance in 2009, even if global financial markets do not improve.

We have worked towards making each of the operating businesses within the Group more streamlined and efficient and are now creating strong brand cohesion for the Group, connecting each company to one another to ensure greater market appeal both within the industry and at a corporate level.

There has been a great deal of investment in IT infrastructure across the Group and we will continue to invest in this important area, the benefits of which are apparent on many different levels. Most notably, these benefits include the efficiency of running the various businesses, the level of reporting that we are able to produce internally, and the transparency of the reporting with which we are able to provide our customers, all factors which contribute to our operations and performance.

The challenges with which we were faced in 2008 were a distraction, which certainly hindered the Group's progress. However, working together as a team the board is focused on the Group's strategy to make YCO Deuxmil Plc a profitable leader and innovator within the Super Yacht industry.



Neil Miller
Chief Executive Officer

Date : 22 June 2009

YCO Deuxmll Plc

Directors Report
for the year ended 31 December 2008

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of the supply of marine fuel and services to the world's super yachts.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year and financial position of the Company and the Group are as announced to the market in May 2009 as below:

The last twelve months has seen the Group made good progress in expanding and integrating the range of services offered. In May, the Company completed the acquisition of YCO S.A.M., which transformed the Group principally from a supplier of marine fuel to a full services provider to Super Yachts.

Yacht Fuel Services ("YFS") recorded an increase in turnover for the year under review. YFS continues to operate well and has been successful in winning a considerable amount of new business. The outlook of a stronger US Dollar and a weaker oil price should have a positive effect on the performance of YFS in 2009, a benefit it has not previously enjoyed following high oil prices in 2008, as well as gaining new business generated through yachts serviced under YCO S.A.M. Management.

Yacht Help Group ("YHG") has made a small loss following restructuring costs. However, the division has progressed well and is now trading in line with the directors' expectations. YHG's headquarters have been relocated to Palma's premier Super Yacht location on Paseo Maritimo in state-of-the-art premises and a new YHG office has also opened in the critical location of Antibes, France, in time for the start of the summer season. Additionally, YHG will open a small operation in Montenegro to coincide with the 2009 summer cruising season at the new Porto Montenegro development close to Kotor. The directors anticipate YHG will also benefit from the appointment of an International Operations Director who will give direction and drive to this division. Additionally, as with YFS, YHG is expected to benefit from the enlarged Group using its services.

BA Yachts Assistance S.L. ("BAY") continues to trade profitably and grow steadily as a key part of the group, which provides a niche service in the market. As Super Yacht owners look to operate their yachts more cost-efficiently, BAY's specialist tax services, which can result in significant financial savings for owners, have become particularly sought after and the division made a small profit in 2008.

YCO S.A.M. and YCO Crew have grown considerably, with the opening of the new YCO office in Chelsea, London, and two new YCO Crew offices in Palma and Barcelona.

Historically, Yacht Management has been at the core of the YCO S.A.M. business model and this department continues to see growth and development. The launch of the YCO S.A.M.'s online yacht management software, YCO LIVE, has resulted in a high level of interest from Super Yacht owners and captains as they acknowledge the importance of efficient management of an asset during a period where its sale may prove difficult. The online management portal, which should dramatically improve the flow of information and overall administration of each vessel, is now available to all YCO yachts under management, with each yacht's information fully loaded onto the system. As the number of yachts operating YCO LIVE increases, YCO expects the interest generated in the software to increase further. The number of yachts under management increased during 2008 and YCO is currently in discussions to take on the management of several large yachts.

YCO Deuxmil Plc

Directors Report (continued...)
for the year ended 31 December 2008

The New Construction and Project Management department at YCO continues to see steady growth, with the addition of two significant new projects to the portfolio, and several refit projects. The department already manages several projects in excess of 100 metres and as with YCO Management services, represents a steady and predictable monthly revenue stream.

There has been an industry-wide slow down in the charter market although YCO continues to see activity in luxury charter vessels in excess of 60 metres.

The sales figures are in line with expectations. Following the Monaco Yacht Show at the end of September 2008, the global market deterioration in Super Yacht sales has mirrored the wider worldwide financial crisis. However, YCO is pleased that the approach to yacht management and service supply, encompassing a broad product platform, has proven sustainable in spite of substantially reduced yacht brokerage income. YCO is pleased to announce renewed activity in this area as we entered the second quarter of 2009.

YCO Crew has grown and following expansion in Europe and investment in IT infrastructure and online databases, reports a small loss in its second year of operation. YCO Crew now operates from three fully integrated European offices and works with yachts all over the world. The Palma office is already performing strongly and it is anticipated this will be instrumental in the division achieving further profitability in the near future. To support YCO's own fleet of yachts, YCO Crew has taken on a member of staff dedicated to managing the crew recruitment of all yachts under YCO Management and YCO Project Management. Demand for the company's services remains buoyant.

The YCO business model is centred around securing yachts for management and offering high quality support services through the group's companies. The directors believe that the Group is well positioned to take advantage of a market improvement when it comes and believe the structured approach of ensuring that each business can stand alone will prove to be fully justified.

YCO continues to invest in group integration and CRM systems to ensure that the Group is in a position to provide a consistently high, comprehensive service to all existing and new clients. With the anticipated stable revenue from management clients and the range of secondary support services, the directors believe that YCO is in a stronger position than many competitors who rely more heavily on continuous brokerage to secure revenue.

Full provision of reorganisation costs and costs of main Board restructuring will be included in the figures to 31 December, 2008, leading to a loss for the year, but providing the platform for growth for the group in 2009. The group of companies continued to trade free of debt throughout 2008 with positive cash flow.

Detailed information is shown in the annexed financial statements and noted in the Chairman's statement and CEO's statement.

KEY PERFORMANCE INDICATORS

The main highlights of our performance are noted below:

Revenue up by 71.3% to £28,501,012 (2007: £16,633,307).

Gross Profit up by 249% to £5,274,346 (2007: £1,511,582).

Fuel tonnage sold down by 3% to 29,870MT (2007: 30,860MT).

KEY RISKS AND UNCERTAINTIES

The directors are optimistic about the business development in 2009. However, this is dependent upon factors such as oil supply, volatility of the US\$ and Euro exchange rates and global economic stability. The exchange rate risk is partly mitigated by buying and selling in the same currency.

YCO Deauxmii Plc

Directors Report (continued...)
for the year ended 31 December 2008

RESULTS AND DIVIDENDS

The loss for the year is £684,079, which has been allocated against reserves. No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The following directors have held office since 1 January 2008:

L J Milton (Resigned 29 September 2008)

N Miller

C A Smith

P Jay

P Shea (Appointed 18 January 2008)

C Birkett (Appointed 27 May 2008)

G Wright (Appointed 27 May 2008)

All the directors who are eligible offer themselves for re-election at the forthcoming Annual General Meeting.

The beneficial interests of the directors holding office on 31 December 2008 in the issued share capital of the company were as follows:

	31.12.08		01.01.08	
	No of Ordinary shares of 0.35p each	Percentage of issued share capital	No of Ordinary shares of 0.05p each	Percentage of issued share capital
L J Milton	6,785,714	14%	47,500,000	36%
N Miller	6,785,714	14%	47,500,000	36%
C A Smith	-	-	-	-
P Jay	-	-	-	-
P Shea	-	-	-	-
C Birkett	3,376,450	7%	-	-
G Wright	3,376,451	7%	-	-

On 1 May 2008, the issued and unissued ordinary share capital of the Company of 0.05p each was consolidated so that every seven shares of 0.05p each held by a shareholder became one ordinary share of 0.35p.

The numbers of options outstanding to the directors at 31 December 2008 are as follows:

	31.12.08		01.01.08	
	No of options at 0.49p each	No of options at 0.35p each	No of options at 0.49p each	No of options at 0.35p each
N Miller	714,285	-	-	-
L J Milton	714,285	-	-	-
C A Smith	108,035	-	-	-
P Shea *	-	190,476	-	190,476

* P Shea's options of 190,476 shares at 35p are held through Daniel Stewart and Company.

YCO Deuxmii Plc

Directors Report (continued...) **for the year ended 31 December 2008**

SUBSTANTIAL SHAREHOLDERS

As at 29 May 2009, the Company has been notified of the following interests in the issued share capital of the Company:

	No of Ordinary shares of 0.35p each **	Percentage of issued share capital
State Street Nominees Limited	10,446,011	21.69%
N Miller	6,785,714	14.09%
LJ Milton	6,785,714	14.09%
Pastor Jean-Victor-Jean-Baptiste	4,081,633	8.47%
Geminico Ltd BVI *	3,213,884	6.67%
London Wall Nominees Limited	3,213,884	6.67%
Gary Wright	3,213,884	6.67%
The Bank of New York (Nominees) Limited	1,780,612	3.70%

* Charles Birkett's interest in 3,213,884 Ordinary Shares is held through Geminico Limited B.V.I

** On 1 May 2008, the issued share capital of the Company being 150,895,806 ordinary shares of 0.05p each was consolidated so that every seven shares of 0.05p each held by a shareholder became one ordinary share of 0.35p having all the rights attaching to the ordinary shares as set out in the articles of association.

COMPANY'S POLICY ON PAYMENT OF PAYABLES

It is the Company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. The payables days decreased by 13 days to 31 (2007: 44) days in the year under review.

PUBLICATION OF ACCOUNTS ON COMPANY WEBSITE

Financial statements are published on the Company's website. The maintenance and integrity of the website is the responsibility of the directors. The directors' responsibility also extends to the financial statements contained therein.

INDEMNITY OF OFFICERS

The Group may purchase and maintain, for any director or officer, insurance against any liability and the Group does maintain appropriate insurance cover against legal action brought against its directors and officers.

FINANCIAL INSTRUMENTS

The Group does not have formal policies on interest rate risk or foreign currency risk. The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than pound sterling (£). The Group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

The Group does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency, given the nature of the business for the time being.

The Group prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the company, to manage liquidity risk. The directors have considered the risk posed by liquidity and are satisfied that there is sufficient growth and equity in the company. The Group has an overdraft facility with the bank for £300,000 and is being charged at an interest rate of 3% per annum above HSBC's sterling base rate, as published from time to time. The overdraft facility is due for renewal in December 2009.

YCO Deuxmll Plc

Directors Report (continued...)
for the year ended 31 December 2008

POST BALANCE SHEET EVENTS

On 2 March 2009, the Group received approval from HSBC Bank Plc for the increase in the overdraft facility by £200,000 to £500,000. The £200,000 increase is temporary which expires in July 2009. The interest rate for the additional £200,000 facility is base rate plus 5%.

GOING CONCERN

After making appropriate enquiries, the directors consider that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. This is reflected in note 1 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- to follow IFRS as adopted by the European Union

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985 and as regards the Group Article 4 of the IAS regulations. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

The Company has dispensed with the obligation to appoint auditors annually in accordance with section 485 of the Companies Act 2006. Therefore, the auditors, Jeffreys Henry LLP, will be deemed to be reappointed for each succeeding financial year.

ON BEHALF OF THE BOARD:

C A Smith - Director
Date: 22 June 2009



YCO Deuxmil Plc

Corporate Governance Report
for the year ended 31 December 2008

The Directors recognise the importance of sound corporate governance to commensurate with the Group's size and the interests of shareholders. As the Group grows, policies and procedures that reflect the Principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the "Combined Code") will be developed. So far as is practicable and appropriate, taking into account the size and nature of the Company, the Directors will take steps to comply with the Combined Code.

The Board of Directors

The Board comprises of five Executive Directors and two Non-Executive Directors. All the Directors served throughout the year with the exception of P Shea who was appointed on 18 January 2008, C Birkett and G Wright who were appointed on 27 May 2008. The Directors' biographies are set out on page 11 and demonstrate a range of relevant experience.

The Board meets at least four times a year as issues arise which require Board attention. The Board has a formal schedule of matters specially referred to it for decision. The Directors are responsible for the management structure and appointments, considering strategic and policy, approval of major capital investments and transactions, and responsible for significant financing matters.

The Board has established an Audit Committee and a Remuneration Committee which roles and responsibilities are discussed below.

Audit Committee

An Audit Committee has been established and currently comprises of P Shea as the chairman and P Jay as a member, who both have considerable and relevant financial experience.

The Audit Committee, which has Terms of Reference agreed by the Board meets at least twice a year and is responsible for ensuring that the integrity of the financial information reported to the shareholders and the systems of internal controls. This committee provides an opportunity for reporting by the Company's auditors.

The Audit Committee is responsible for monitoring in discussion with the auditors the integrity of the financial statements and announcements of the Company; reviewing the Company's internal financial controls and risk management systems; reviewing and monitoring the external auditor's independence, objectivity and effectiveness of the audit process taking into consideration relevant UK and other relevant professional and regulatory requirements. The Audit Committee is also responsible for making recommendations to the Board to be put to shareholders for their approval in general meeting in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor. Other responsibilities include reviewing the Company's internal audit function, and where there is no internal audit function and considering annually whether there is a need for an internal audit function and making recommendation to the Board, and to review arrangements by which the staff of the Group will be able to raise concerns about possible improprieties in matters of financial reporting or other matters related to the Group.

YCO Deuxmil Plc

Corporate Governance Report (continued) **for the year ended 31 December 2008**

Remuneration Committee

The Remuneration Committee, which meets at least twice a year, consists of P Jay and P Shea. Based on the Terms of Reference approved by the Board, the Remuneration Committee is responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Chief Executive Officer, the Chairman and other members as it is designated to consider. It is also responsible for setting the remuneration for all Executive Directors, the Chairman and the Company Secretary; to recommend and monitor the level and structure of remuneration for senior management; and determining targets for any performance-related pay schemes operated by the Group. The Remuneration Committee is also responsible for determining the policy and scope of pension arrangements for each Executive Director and for ensuring that contractual terms on termination and any payments made are fair to the individual and the Company. The Remuneration Committee will determine the terms and conditions of service of Executive Directors. This includes, agreeing the policy for authorising claims for expenses from the Chief Executive Officer and the Chairman, and within the terms of the agreed policy, recommending the total individual remuneration package of each Executive Director including, where appropriate bonuses, incentive payments and share options.

Relations with shareholders

Communications with shareholders are very important and therefore are given a priority. The Company maintains a website www.ycodeuxmil.com for the purpose of improving information flow to shareholders as well as potential investors. It contains the information about the Company's activities and the interim report. Shareholders are welcomed to ask any enquiries on the matter relating the business and their shareholdings. The Company encourages the shareholders to attend the Annual Meeting, which they will be given the opportunity to put questions to the Chairman and other members of the Board.

Internal financial control

The Board is responsible for establishing and maintaining the Company's system of internal controls and for reviewing its effectiveness. They are designated to safeguard the assets of the Company and to ensure the reliability of the financial information for both internal use and external publication. The controls that include inter alia financial, operational and compliance matters and management are reviewed on an ongoing basis. A system of internal control can provide only reasonable, and not absolute, assurance that material financial irregularities will be detected of that risk of failure to achieve business objectives is eliminated. The Board has considered the need for an internal audit function but because of the size and nature of its operations does not consider it necessary at the current time.

YCO Deuxmil Plc

Profile of Directors
for the year ended 31 December 2008

Peter Jay (Aged 64), Non-Executive Chairman

Peter Jay is a solicitor and a consultant to Beachcroft LLP. He specialises in corporate finance and acts for a number of AIM companies. He has extensive experience of advising both public and private companies and has held a number of directorships including Sportingbet Plc (where he was a founding director) and Top Ten Holdings Plc.

Peter was appointed Non-Executive Director of the company on 30 August 2006.

Nell Miller (Aged 50), Chief Executive Officer

Neil Miller instigated and developed the Wendy Restaurant franchise in the UK and Europe. He then moved into financial services and emerging markets bond trading, becoming one of the largest independent traders specialising in African debt. From 1995 to the present day he has acted as a consultant to smaller companies seeking a quotation on public markets.

Neil was appointed Chief Executive Officer of the Company on 30 August 2006.

Charles Alan Smith, ACA (Aged 54), Finance Director

Charles Smith qualified as a chartered accountant and then joined the firm of Scodie Deyong, becoming a full partner in 1981. In 1995 he left to become Group financial director and then international financial director of Holiday Autos Group ("HAG"), a car rental broking business, where turnover grew from £29 million to £200 million in 2004. He stepped down from this position in 2000, changing his role to that of financial consultant to HAG. In this consultancy role he was primarily responsible for the preparation of HAG for sale in April 2003 to Lastminute.com plc for £40 million.

Charles was appointed Finance Director of the Company on 30 August 2006.

Peter Daniel Shea (Aged 56), Non-Executive Director

Peter Shea is currently chairman and one of the founding members of Daniel Stewart & Company, which he set up in 1989. Previously, he was a director at Bear Stearns International (from 1986 to 1989), where he was responsible for establishing Bear Stearns' London corporate finance and capital markets divisions. Prior to Bear Stearns, He was a vice president at Midland Bank, where his primary responsibilities were co-ordinating the corporate and merchant banking services to US corporations in Europe. He also spent 10 years at Chase Manhattan Bank where he was responsible for, amongst other things, developing country loans and both the chemical and aerospace sectors at various times.

Peter was appointed Non-Executive Director of the company on 17 January 2008.

Charles Nicholas Keith Birkett (Aged 33), Executive Director

Charles Birkett has crewed, captained, purchased, sold and managed Super Yachts for the past fifteen years. He first captained a yacht in 1992, cruising the west coast of America and has since been involved in a range of aspects associated with Super Yachts ranging from tender design and construction to shore side logistics. Before joining YCO, Charles was involved in fleet, yacht, berth and new project management with a Monaco based Yacht management company.

Charles was appointed Executive Director of the Company on 27 May 2008.

Gary Wright (Aged 50), Executive Director

Gary Wright has a strong maritime background stretching back well over 25 years. His experience includes that of master, project co-ordinator and project manager on a number of Super Yachts. In 2001, Gary was appointed chief executive officer for the 31st Americas Cup, with overall responsibility for every aspect of the US/Seattle based challenge over the following three years until the race in 2003.

Gary was appointed Executive Director of the Company on 27 May 2008.

Report of the Independent Auditors to the Shareholders of
YCO Deuxmil Plc

We have audited the financial statements of YCO Deuxmil Plc for the year ended 31 December 2008, which comprise the consolidated income statement, consolidated statement of changes in equity, consolidated balance sheet, consolidated cash flows and the related notes on pages 24 to 59. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out on page eight.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and as regard Group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors report is consistent with the financial statements. The information given in the Director's report includes that specific information mentioned in the Chairman's statement and Chief Executive's statement that is cross referred from the Review of the Business and future Developments sections of the Directors' report.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report, the Chairman's Statement, Corporate Governance Statement and Chief Executive Officer's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

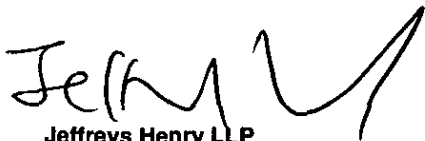
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the Independent Auditors to the Shareholders of
YCO Deuxmil Plc

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of affairs of the Company and the Group as at 31 December 2008 and of its loss and cash flows of the Group for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRS's as adopted by the European Union as applied in accordance with provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and, as regard the group financial statements, article 4 of the IAS regulation; and
- the information given in the Report of the Directors is consistent with the financial statements.



Jeffreys Henry LLP
Chartered Accountants and Registered Auditors

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date: 22 June 2009

YCO Deuxmil Plc
Consolidated Income Statement
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Revenue		28,501,012	16,633,307
Cost of sales		(23,226,666)	(15,121,725)
GROSS PROFIT		5,274,346	1,511,582
Administrative expenses		(5,997,982)	(1,098,249)
OPERATING PROFIT/(LOSS)	5	(723,636)	413,333
Finance costs	4	(14,602)	(3,658)
Finance income	4	54,159	174
PROFIT/(LOSS) BEFORE TAX		(684,079)	409,849
Tax expense	6	-	(134,138)
PROFIT/(LOSS) FOR THE YEAR		(684,079)	275,711
Attributable to: Equity holders of the company		(684,079)	275,711
Earnings/(loss) per share expressed in pence per share:			
Basic -pence	8	(1.85)	0.19
Diluted -pence		(1.85)	0.19
Proforma earnings/(loss) per share after share consolidation:			
Basic -pence	8	(1.85)	1.32

The notes form part of these financial statements

YCO Deuxmil Plc

Consolidated Income Statement (Continued)
for the year ended 31 December 2008

Included above are the profit or (loss) of the subsidiaries since the date of acquisition:

	2008	2007
	£	£
Subsidiary		
Yacht Help Group (Mallorca) S.L. *		11,292
Yacht Help Group Gibraltar Limited *		(4,201)
BA Yachts Assistance S.L. **		49,761
YCO SAM ***	290,242	
YCO SARL ***	(12,813)	
YCO Yacht Limited (formerly WBC Maritime Limited) ***	79,065	
YCO Support Limited ***	(11,363)	

* Acquired on 30 April 2007

** Acquired on 28 May 2007

*** Acquired on 27 May 2008

Below are the combined revenues and profit of the enlarged Group from 1 January 2008 to 31 December 2008:

	2008	2007
	£	£
Revenue	31,845,695	18,264,133
Profit/(loss) for the year	(728,191)	363,588

The notes form part of these financial statements

YCO Deuxmil Plc

Consolidated Statement of Changes in Equity
for the year ended 31 December 2008

	Share Capital £	Share Premium £	Retained Earnings £	Other Reserves £	Translation Reserve £	Total £
As at 1 January 2007	66,667	1,072,813	146,157	-	-	1,285,637
Shares issued	8,781	975,143	-	-	-	983,924
Profit after tax for the year	-	-	275,711	-	-	275,711
Equity to be issued	-	-	-	133,333	-	133,333
As at 31 December 2007	75,448	2,047,956	421,868	133,333	-	2,678,605
Shares issued	93,136	12,910,729	-	-	-	13,003,865
Loss after tax for the year	-	-	(684,079)	-	-	(684,079)
Equity to be issued	-	-	-	61,373	-	61,373
Translation reserve	-	-	-	-	28,329	28,327
As at 31 December 2008	168,584	14,958,685	(262,211)	194,706	28,329	15,088,093

Share capital is the amount subscribed for share at nominal value.

Retained profit represents the cumulative profit of the Group attributable to equity shareholders.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses. Share issue expenses in the year comprise a proportion of the costs incurred in respect of the initial issue of new shares on the London Stock Exchange's Alternative Investment Market.

Other reserves represent the deferred share consideration in relation to the acquisition of BA Yachts Assistance S.L. which will be issued in 2009.

Translation reserve occurs on consolidation where the exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

The notes form part of these financial statements

YCO Deuxmil Plc
Consolidated Balance Sheet
31 December 2008

	Notes	2008 £	2007 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	15,332,787	2,784,822
Intangibles	10	279,606	20,952
Property, plant and equipment	11	827,305	201,634
		<u>16,439,698</u>	<u>3,007,408</u>
CURRENT ASSETS			
Inventories	13	203,960	17,942
Trade and other receivables	14	5,968,157	1,080,863
Cash and cash equivalents	15	859,283	849,126
		<u>7,031,400</u>	<u>1,947,931</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	8,318,120	2,054,747
Financial liabilities – borrowings			
Interest bearing loans and borrowings	17	23,772	90,278
Tax payable		-	122,076
		<u>8,341,892</u>	<u>2,267,101</u>
NET CURRENT LIABILITIES		<u>(1,310,492)</u>	<u>(319,170)</u>
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	41,113	9,633
NET ASSETS		<u>15,088,093</u>	<u>2,678,605</u>
EQUITY AND RESERVES			
Called up share capital	19	168,584	75,448
Share premium	20	14,958,685	2,047,956
Retained earnings	20	(262,211)	421,868
Other reserves	20	194,706	133,333
Translation reserve	20	28,329	-
		<u>15,088,093</u>	<u>2,678,605</u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2009 and were signed on its behalf by:

C A Smith
Director



The notes form part of these financial statements

YCO Deuxmil Plc (formerly Deuxmil Marine Plc)

Company Balance Sheet
31 December 2008

	Notes	2008 £	2007 £
ASSETS			
NON-CURRENT ASSETS			
Fixed asset investments	12	16,248,665	3,228,218
Property, plant and equipment	11	87,764	110,739
		<hr/>	<hr/>
		16,336,429	3,338,957
		<hr/>	<hr/>
CURRENT ASSETS			
Trade and other receivables	14	633,612	182,938
Cash and cash equivalents	15	-	-
		<hr/>	<hr/>
		633,612	182,938
		<hr/>	<hr/>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	1,666,074	1,257,784
Financial liabilities – borrowings			
Interest bearing loans and borrowings	17	519,644	66
		<hr/>	<hr/>
		2,185,718	1,257,850
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(1,552,106)	(1,074,912)
		<hr/>	<hr/>
NON CURRENT LIABILITIES			
Financial liabilities – borrowings			
Interest bearing loans and borrowings	17	31,944	-
		<hr/>	<hr/>
NET ASSETS		14,752,379	2,264,045
		<hr/>	<hr/>
EQUITY AND RESERVES			
Called up share capital	19	168,584	75,448
Share premium	20	14,958,685	2,047,956
Other reserves	20	194,706	133,333
Retained earnings	20	(569,596)	7,308
		<hr/>	<hr/>
Total shareholders' equity		14,752,379	2,264,045
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2009 and were signed on its behalf by:

C A Smith - Director



The notes form part of these financial statements

YCO Deuxmii Pic

Consolidated Cash Flow Statement
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Cash flows from operating activities			
Cash generated from operations	1	238,244	553,875
Finance costs		(14,602)	(3,658)
Corporation tax paid		(109,025)	(35,419)
Net cash from operating activities		<u>114,617</u>	<u>514,798</u>
Cash flows from investing activities			
Purchase of intangibles		(156,479)	(6,415)
Purchase of plant and equipment		(424,646)	(117,781)
Proceeds from sale of tangible assets		15,855	-
Acquisition of subsidiaries (Note 9)		(8,074,162)	(439,576)
- net cash acquired		449,651	153,102
Interest received		54,159	171
Net cash from investing activities		<u>(8,135,622)</u>	<u>(410,499)</u>
Cash flows from financing activities			
Repayment of loan to related parties		(81,067)	(297,668)
Proceeds from issue of new shares		8,200,000	683,581
Repayment of bank loan		(51,689)	(5,063)
Repayment of finance lease		(36,016)	-
Net cash from financing activities		<u>8,031,228</u>	<u>380,850</u>
Increase in cash and cash equivalents		10,223	485,149
Cash and cash equivalents at beginning of year		849,060	363,911
Cash and cash equivalents at end of year		<u><u>859,283</u></u>	<u><u>849,060</u></u>
Represented by:			
Cash at bank and in hand		859,283	849,126
Bank overdraft		-	(66)
		<u><u>859,283</u></u>	<u><u>849,060</u></u>

The notes form part of these financial statements

YCO Deuxmil Plc

Notes to the Group Cash Flow Statement
for the year ended 31 December 2008

1 RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM OPERATIONS

	2008	2007
	£	£
Operating profit/(loss) for the year	(723,636)	413,333
Adjustments for:		
Depreciation of property, plant and equipment	118,861	31,691
Loss on sale of tangible assets	24,413	-
Amortisation of intangibles	110,115	2,066
Loss on unrealised foreign exchange	53,943	-
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(416,304)	447,090
(Increase) in inventories	(49,075)	(17,944)
(Increase)/decrease in receivables	589,491	(332,139)
(Decrease)/increase in payables	114,132	456,868
	<hr/>	<hr/>
Cash generated from operations	238,244	553,875
	<hr/>	<hr/>

YCO Deuxmil Plc (formerly Deuxmil Marine Plc)

Company Cash Flow Statement
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Cash generated from operations	1	(139,113)	18,274
Finance costs		(13,015)	-
Net cash from operating activities		<u>(152,128)</u>	<u>18,274</u>
 Cash flows from investing activities			
Purchase of plant and equipment		(4,163)	(117,781)
Acquisition of subsidiaries (Note 9)		(8,074,162)	(439,576)
Interest received		681	26
Net cash from investing activities		<u>(8,077,644)</u>	<u>(557,331)</u>
 Cash flows from financing activities			
Repayment of loan from related parties		(51,592)	(297,668)
Proceeds from issue of new shares		8,200,000	683,581
Inter company loan received/(repaid)		(418,769)	146,908
Repayment of finance lease		(2,778)	-
Net cash from financing activities		<u>7,726,861</u>	<u>532,821</u>
 Increase/(decrease) in cash and cash equivalents		<u>(502,911)</u>	<u>(6,236)</u>
Cash and cash equivalents at beginning of year		<u>(66)</u>	<u>6,170</u>
Cash and cash equivalents at end of year		<u>(502,977)</u>	<u>(66)</u>
 Represented by:			
Cash at bank		-	-
Bank overdraft		(502,977)	(66)
		<u>(502,977)</u>	<u>(66)</u>

YCO Deuxmil Plc

Notes to the Company Cash Flow Statement
for the year ended 31 December 2008

1 RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM OPERATIONS

	2008	2007
	£	£
Operating profit/(loss) for the year	(564,569)	1,108
Adjustments for:		
Depreciation of property, plant and equipment	27,137	7,042
Loss on unrealised foreign exchange	32,956	-
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(504,475)	8,150
Decrease in receivables	5,536	7,902
(Decrease)/increase in payables	366,150	2,222
	<hr/>	<hr/>
Cash generated from operations	(132,789)	18,274
	<hr/>	<hr/>

YCO Deuxmil Plc

Notes to the Financial Statements **for the year ended 31 December 2008**

GENERAL INFORMATION

YCO Deuxmil Plc is a company incorporated in England and Wales and quoted on the Alternative Investment Market of the London Stock Exchange. The address of the registered office is disclosed on page 1 of the financial statements. The principal activity of the Group is described on page 6. The Company changed to its present name on 27 May 2008 upon the successful acquisition of YCO S.A.M.

1. ACCOUNTING POLICIES

Going concern

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the directors have looked at a period of twelve months from the date of approval of this report.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 5 and 6. In addition note 21 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The directors have negotiated further bank funding with its current banker to assist the Group with its future working capital requirements. On 3 March 2009, the Company received written approval for the temporary increase in the overdraft facility by £200,000, which the directors are confident is sufficient to fund the Group's working capital.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. The Group will open negotiations with the bank in due course and has at this stage not sought any written commitments that the facility will be renewed.

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Were the Group to be unable to continue as a going concern, adjustments would have to be made to the balance sheet of the Group to reduce balance sheet values of assets to their recoverable amounts, to provide for future liabilities that might arise and to reclassify non-current assets and long-term liabilities as current assets and liabilities which may cast significant doubt about the Group's ability to continue as a going concern.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

(a) Standards, amendment and interpretations effective in 2008

The following interpretation to published standards is mandatory for accounting periods beginning on or after 1 January 2008 but is not relevant to the Group's operations:

YCO Deuxmii Plc

Notes to the Financial Statements
for the year ended 31 December 2008

1.ACCOUNTING POLICIES (CONTINUED)

- IFRIC 12, 'Service concession arrangements';
- IFRIC 13, 'Customer loyalty programmes'; and
- IFRIC 14 IAS 19, 'The limit on a defined asset, minimum funding requirements and their interaction' (effective from 1 January 2008).

- (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group.

- IAS 1 Revised – Presentation of Financial Statements (effective from 1 January 2009). Key changes include, the requirement to aggregate information in the financial statements on the basis of shared characteristics, the introduction of a Statement of Comprehensive Income & changes in titles of some of the financial statements.

Preparers of financial statements will have the option of presenting income and expense and components of other comprehensive income either in a single statement or in two separate statements (a separate income statement followed by a statement of comprehensive income).

The new titles for the financial statements (for example 'statement of financial position' instead of balance sheet) will be used in the accounting standards but are not mandatory for use in financial statements.

The expected impact is still being assessed in detail by management as the IASB is involved in discussions to examine more fundamental questions about the presentation of information in financial statements.

- IFRS 8 – Operating Segments (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.
- IAS 27(2008) - Consolidated and Separate Financial Statements (effective from 1 July 2009).
- IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009).
- IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The company will apply IFRS 2 (Amendment) from 1 January 2009. It may have a material impact on the Group's financial statements depending on the specific circumstances of any share options granted in the future.

YCO Deuxmil Plc

Notes to the Financial Statements
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.
- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRSs. The Group will apply the IFRS 5 (Amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010.
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply the IAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.
- IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered. IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent. The Group will apply the IAS 19 (Amendment) from 1 January 2009.

YCO Deuxmil Plc

Notes to the Financial Statements
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes the example of a segment so that the guidance is consistent with IFRS 8, 'Operating segments', which requires disclosure for segments to be based on information reported to the chief operating decision-maker. Currently, for segment reporting purposes, each subsidiary designates contracts with group treasury as fair value or cash flow hedges so that the hedges are reported in the segment to which the hedged items relate. This is consistent with the information viewed by the chief operating decision-maker. After the amendment is effective, the hedge will continue to be reflected in the segment to which the hedged items relate (and information provided to the chief operating decision-maker), but the company will not formally document and test this relationship. When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used. The company will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the company's income statement.
- There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the company's accounts and have therefore not been analysed in detail.
- (c) Standards, amendments and interpretations to existing standards that are not yet effective and not relevant to the Group's operations. The following interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant to the Group's operations:
 - IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendments to IFRS 1, 'First-time adoption')(effective from 1 July 2009).
 - IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009).
 - IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009).
 - IAS 19 (Amendment), 'Employees benefits' (effective from 1 January 2009). IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009).

YCO Deuxmil Plc

Notes to the Financial Statements **for the year ended 31 December 2008**

1. ACCOUNTING POLICIES (CONTINUED)

- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009).
- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009).
- IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009).
- IAS 31 (Amendment), 'Interest in joint ventures' (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009).
- IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009).
- IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009).
- IFRIC 15, 'Agreements for construction of real estate' (effective from 1 January 2009).
- The minor amendments to IAS 20 'Accounting for government grants and disclosure of government assistance', and IAS 20, 'Financial reporting in hyperinflationary economies', IAS 40, 'Investment property', and IAS 41, 'Agriculture'.
- IFRIC 16, 'Hedges of a net investment in a foreign operation'.

Consolidation

Subsidiaries

Subsidiaries are all entities over which YCO Deuxmil Plc has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to YCO Deuxmil Plc (formerly Deuxmil Marine Plc). They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed or adjusted upon consolidation where necessary to ensure consistency with the policies adopted by the Group.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates.

(b) Trademarks and licences

Acquired trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives.

Licences	20% on cost
----------	-------------

(c) Software

Acquired software and websites are shown at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of software and website over their estimated useful lives.

Software	15% - 20% on cost
----------	-------------------

(d) Product development

Product development expenditure is capitalised when it is considered that there is a commercially and technically viable product, the related expenditure is separately identifiable and there is reasonable expectation that the related expenditure will be exceeded by future revenues. Following initial recognition, product development are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of these intangible assets are assessed to have finite life. Amortisation is charged on assets with finite lives, this expense is taken to the income statement. Useful lives are also reviewed on an annual basis. Product development cost will not be amortised whilst the Microsoft Dynamics CRM project is still in its development phase.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Property, plant and equipment

Tangible non-current assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial Year in which they are incurred. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings and equipment	- 5% - 35% on cost
Motor vehicles	- 16% - 25% on cost

The asset's residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Functional currency translation

i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is mainly Euros (€). The financial statements are presented in Pounds Sterling (£), which is the Group's presentation currency.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

ii) Transactions and balances

Foreign currency transactions are translated into the presentational currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

iii) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differed from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

YCO Deuxmii Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

Operating leases

Rental leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement.

Segment reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments is considered indicators that the trade receivable is impaired.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the year of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group at the balance sheet date approximated their fair values, due to relatively short term nature of these financial instruments.

The Company provides financial guarantees to licensed banks for credit facilities extended to a subsidiary companies. The fair value of such financial guarantees is not expected to be significantly different as the probability of the subsidiary company defaulting on the credit lines is remote.

Share-based compensation

The fair value of the employees, directors and suppliers services received in exchange for the grant of the options and warrants are recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options and warrants are exercised.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(a) Impairment of goodwill

The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary.

(b) Impairment of intangibles (other than goodwill)

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

(c) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

(d) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out above. The selection of these residual values and estimated lives requires the exercise of management judgement.

(e) Share-based compensation

The fair value of options and warrants are determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

YCO Deuxmil Plc
Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

2. SEGMENTAL ANALYSIS

The Group's primary segment is business segment and the secondary segment is geographical location. The business segment consist of marine fuel and support services as shown below:

Segment Results	Marine fuel 2008 £	Support services 2008 £	Total 2008 £
Revenue			
Total	20,549,943	9,067,788	29,617,731
Inter company	(905,835)	(210,884)	(1,116,719)
Revenue	<u>19,644,108</u>	<u>8,856,904</u>	<u>28,501,012</u>
Operating profit before depreciation, amortisation share based payment charges and restructuring costs	254,734	(352,648)	(97,914)
Depreciation of tangibles	(1,310)	(117,551)	(118,861)
Amortisation of intangibles	-	(110,115)	(110,115)
Restructuring costs	-	(396,746)	(396,746)
Operating profit	<u>253,424</u>	<u>(977,060)</u>	<u>(723,636)</u>
Net finance expense			39,557
Profit before taxation			<u>(684,079)</u>
Segment Assets			
Property, plant and equipment	14,775	812,530	827,305
Intangible assets	1,794,265	13,818,128	15,612,393
Other assets	1,270,737	5,760,663	7,031,400
	<u>3,079,777</u>	<u>20,391,321</u>	<u>23,471,098</u>
Segment Results	Marine fuel 2007 £	Support Services 2007 £	Total 2007 £
Revenue			
Total	14,867,413	2,237,278	17,104,691
Inter company	(455,827)	(15,557)	(471,384)
Revenue	<u>14,411,586</u>	<u>2,221,721</u>	<u>16,633,307</u>
Operating profit before depreciation, amortisation share based payment charges and restructuring costs	341,881	105,209	447,090
Depreciation of tangibles	(848)	(30,843)	(31,691)
Amortisation of intangibles	-	(2,066)	(2,066)
Restructuring costs	-	-	-
Operating profit	<u>341,033</u>	<u>72,300</u>	<u>413,333</u>
Net finance expense			(3,484)
Profit before taxation			<u>409,849</u>
Segment Assets			
Property, plant and equipment	2,815	198,819	201,634
Intangible assets	1,794,265	1,011,509	2,805,774
Other assets	592,361	1,355,570	1,947,931
	<u>2,389,441</u>	<u>2,565,898</u>	<u>4,955,339</u>

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

2. SEGMENTAL ANALYSIS (CONTINUED)

The geographical segment consists of Europe, Americas and the rest of the world.

	Europe 2008 £	Americas 2008 £	Rest of the world 2008 £	Total 2008 £
Revenue	19,411,278	3,555,174	5,534,560	28,501,012
Total assets	23,471,098	-	-	23,471,098
Capital Expenditure	666,857	-	-	666,857
	Europe 2007 £	Americas 2007 £	Rest of the world 2007 £	Total 2007 £
Revenue	11,416,760	4,471,326	745,221	16,633,307
Total assets	4,955,339	-	-	4,955,339
Capital Expenditure	117,781	-	-	117,781

YCO Deuxmil Plc
Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

3. EMPLOYEES AND DIRECTORS	2008	2007
	£	£
Directors emoluments	824,273	41,839
Wages and salaries	1,823,294	459,421
Social security costs	490,601	96,400
Benefits	33,109	6,763
Compensation for loss of office	396,746	-
	<u>3,568,023</u>	<u>604,423</u>

The average monthly number of employees (including directors) during the year was as follows:

	2008	2007
	Number	Number
Directors	7	4
Operations	60	22
	<u>67</u>	<u>26</u>

	2008	2007
	£	£
Directors' emoluments	728,037	-
Directors' fees	96,236	41,839
Directors' benefits	33,109	6,763
Compensation for loss of office	260,000	-
	<u>1,117,382</u>	<u>48,602</u>

Peter Jay's fees were invoiced by Meze Ltd totalling £25,833 (2007 - £14,582). Peter Shea's fees were invoiced by Daniel Stewart & Company totalling £23,903 (2007 - £nil).

Emoluments disclosed above include the following amounts paid to the highest paid director in the year :

	2008	2007
	£	£
Emoluments	180,000	-
Benefits	3,993	-
Compensation for loss of office	260,000	-
	<u>443,993</u>	<u>-</u>

YCO Deuxmil Plc
Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

4. NET FINANCE INCOME

	2008 £	2007 £
Finance income:		
Deposit account interest	54,159	174
Finance costs:		
Bank interest	12,563	262
Bank loan interest	771	2,574
Other interest	1,268	822
	<u>14,602</u>	<u>3,658</u>
Net finance income/(costs)	<u>39,557</u>	<u>(3,484)</u>

5. OPERATING (LOSS)/PROFIT FOR THE YEAR

The operating profit for the year is stated after charging/(crediting):

	2008 £	2007 £
Rent operating leases	361,707	65,573
Depreciation - owned assets	115,187	28,327
Depreciation - leased assets	3,674	3,364
Amortisation of intangibles	110,115	2,066
Loss on sale of tangible assets	24,413	-
Auditors' remuneration (Company £20,000; 2007: £15,000)	33,477	22,000
Auditors' remuneration (Non-audit work)	5,000	4,380
Auditors' remuneration (Corporate finance work)	128,000	-
Compensation for loss of office	396,746	-
Foreign exchange differences	<u>(19,141)</u>	<u>(9,700)</u>

The analysis of administrative expenses in the consolidated income statement by nature of expense:

	2008 £	2007 £
Employment costs	3,568,023	555,821
Depreciation and amortisation	228,976	33,457
Advertising costs	527,681	56,151
Travelling and entertaining	333,531	124,965
Establishment costs	375,635	81,376
Other expenses	<u>964,135</u>	<u>246,479</u>
	<u>5,997,981</u>	<u>1,098,249</u>

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

6. INCOME TAX EXPENSE

The tax charge on the profit for the year was as follows:

	2008	2007
	£	£
Current tax:		
Corporation tax	-	109,025
Overseas Corporation tax	-	25,113
Prior year tax adjustment	-	-
	<hr/>	<hr/>
Deferred tax	-	134,138
	<hr/>	<hr/>
Total	-	134,138
	<hr/>	<hr/>
Profit/(loss) before tax	(684,079)	409,849
	<hr/>	<hr/>

6. INCOME TAX EXPENSE (Continued)

	2008	2007
	£	£
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2007 - 30%)	(191,542)	122,955
Effects of:		
Non deductible expenses	5,754	2,036
Depreciation add back	33,281	9,417
Capital allowance	(3,842)	(2,720)
Losses carried forward	156,349	-
Other tax adjustments	-	2,450
	<hr/>	<hr/>
	191,542	11,183
	<hr/>	<hr/>
Current tax charge	-	134,138
	<hr/>	<hr/>

The Group has estimated trading loss of £452,000 (2007 - £nil), management expense excess of £86,000 (2007 - £nil) and non trading losses of £12,000 (2007 - £nil) available to carry forward against future profits. The deferred tax asset not provided at 28% on the grounds that the recovery could not be foreseen with reasonable certainty was £126,560 (2007 - £nil).

7. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £576,904 (2007 – Profit of £1,134).

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

8. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two classes of dilutive potential ordinary shares being those share options granted to employees and suppliers where the exercise price is less than the average market price of the Group's ordinary shares during the year and the shares to be issued to satisfy the deferred consideration on the acquisition of a subsidiary.

Details of the adjusted earnings per share are set out below:

	2008	2007
Basic EPS		
Earnings attributable to ordinary shareholders (£)	(684,079)	275,711
Weighted average number of shares	37,020,278	145,379,299
	<hr/>	<hr/>
Basic EPS (pence)	(1.85)	0.19
	<hr/>	<hr/>
	2008	2007
Diluted EPS		
Earnings attributable to ordinary shareholders (£)	(684,079)	275,711
Weighted average number of shares	37,020,278	146,379,299
	<hr/>	<hr/>
Diluted EPS (pence)	(1.85)	0.19
	<hr/>	<hr/>

Detail of the proforma earnings per share after share consolidation is set out below:

	2008	2007
Basic EPS		
Earnings attributable to ordinary shareholders (£)	(684,079)	275,711
Weighted average number of shares (0.35p per share)	37,020,278	20,911,328
	<hr/>	<hr/>
Basic EPS (pence)	(1.85)	1.32
	<hr/>	<hr/>

YCO Deuxmii Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

9. GOODWILL

Group

COST

At 1 January 2007

Additions

£
1,794,265
990,557

At 31 December 2007

Additions

2,784,822
12,547,965

At 31 December 2008

15,332,787

CARRYING AMOUNT

At 31 December 2008

15,332,787

At 31 December 2007

2,784,822

Goodwill additions in 2008 arose on the acquisition of YCO S.A.M and the issuance of Company's new shares to the employees of Yacht Help Group (Mallorca) S.L..

During the year the Company issued 233,704 new shares of 0.35p each at 34p each amounting to £79,459 to the employees of Yacht Help Group (Mallorca) S.L. as part of the acquisition agreement in April 2007.

The fair value of consideration and assets acquired for YCO S.A.M. is as follows:

Investments

Consideration –cash

Consideration – shares

Legal fees

£
7,200,000
4,724,409
874,162
12,798,571

Fair value of net assets acquired

Intangible assets

Tangible assets

Inventories

Receivables

Cash and cash in hand

Payables

Formation expense write-off

154,635
347,206
136,943
5,476,785
449,651
(6,230,308)
(4,847)

Net assets

330,065

Goodwill

12,468,506

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

9. GOODWILL (CONTINUED)

The acquisition of YCO S.A.M includes its subsidiary undertakings YCO S.A.R.L., YCO Yacht Limited (formerly WBC Maritime Limited, YCO Limited and YCO London Limited).

The Company assesses at each reporting date whether there is an indication that the goodwill may be impaired, by considering the net present value of discounted cash flows forecasts. If an indication exists an impairment review is carried out. At the year end, there was no indication of impairment of the value of goodwill.

Goodwill is allocated to the Group's cash generating units (CGU) identified according to the country of operation and business segment.

A segment level summary of the goodwill allocation is presented below:

	Marine fuel	Support services	Total
	£	£	£
Europe	1,794,265	13,538,522	15,332,787
USA	-	-	-
Rest of the World	-	-	-
	1,794,265	13,538,522	15,332,787

The recoverable amount of CGU is determined based on value-in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a four year period. Cashflow beyond four year period are extrapolated using the price earning ratio to determine the terminal value.

The key assumptions used for value in use calculations are as follows:

	Marine fuel	Support services
Revenue growth	5%-6%	5%-6%
GP Margin	6%	20%-43%
Expenses growth	5%	5%
Discount rate (HSBC OD rate base rate + 3%)	5%	5%
PE ratio	5	5

The assumptions have been used for the analysis of each CGU within business segment

Management determined budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments and the cost of borrowings.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

10. INTANGIBLES
Group

	Licenses	Software	Product development	Total
	£	£	£	£
COST				
At 1 January 2007	-	-	-	-
Additions	23,018	-	-	23,018
At 1 January 2008	23,018	-	-	23,018
Additions	-	156,479	51,542	208,021
Acquisition (Note 9)	-	154,635	-	154,635
Currency revaluation	6,777	-	-	6,777
Disposals	-	-	-	-
At 31 December 2008	29,795	311,114	51,542	392,451
AMORTISATION				
At 1 January 2007	-	-	-	-
Amortisation for the year	2,066	-	-	2,066
At 1 January 2008	2,066	-	-	2,066
Amortisation for the year	2,769	107,346	-	110,115
Currency revaluation	664	-	-	664
Eliminated on disposal	-	-	-	-
At 31 December 2008	5,499	107,346	-	112,845
CARRYING VALUE				
At 31 December 2008	24,296	203,768	51,542	279,606
At 31 December 2007	20,952	-	-	20,952

The trademarks and patents relates to a license held by a Spanish subsidiary.

Software and product development relate to the website and new CRM project which meet the definition of an intangible asset.

YCO Deuxmii Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

10. INTANGIBLES (CONTINUED)

The Company assesses at each reporting date whether there is an indication that the intangible assets may be impaired, by considering the value in use is greater than the recoverable amount. If an indication exists an impairment review is carried out. At the year end, there was no indication of impairment of the value of the intangibles.

Included above is product development cost held under finance lease with a carrying value of £51,542 and amortisation of £nil. The product is in the development stage. Hence, no amortisation has been applied.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2007	38,991	-	38,991
Additions	63,414	55,156	118,570
Acquisitions of subsidiaries	43,040	68,841	111,881
At 31 December 2007	145,445	123,997	269,442
Additions	425,646	-	425,646
Acquisition of subsidiaries (Note 9)	347,206	-	347,206
Revaluation	7,024	17,756	24,780
Disposals	(45,864)	(28,180)	(74,044)
At 31 December 2008	879,457	113,573	993,030
DEPRECIATION			
At 1 January 2007	36,117	-	36,117
Charge for the year	20,305	11,386	31,691
At 31 December 2007	56,422	11,386	67,808
Charge for the year	97,894	20,967	118,861
Revaluation	5,637	7,195	12,832
Disposals	(27,049)	(6,727)	(33,776)
At 31 December 2008	132,904	32,821	165,725
CARRYING VALUE			
At 31 December 2008	746,553	80,752	827,305
At 31 December 2007	89,023	112,611	201,634

YCO Deauxmii Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
1 January 2007	-	-	-
Additions	62,625	55,156	117,781
1 January 2008	62,625	55,156	117,781
Additions	4,163	-	4,163
At 31 December 2008	66,788	55,156	121,944
DEPRECIATION			
1 January 2007	-	-	-
Charge for the year	2,504	4,538	7,042
31 December 2007	2,504	4,538	7,042
Charge for the year	15,483	11,655	27,138
At 31 December 2008	17,987	16,193	34,180
CARRYING VALUE			
At 31 December 2008	48,801	38,963	87,764
At 31 December 2007	60,121	50,618	110,739

Included in motor vehicles are assets held under finance lease with a carrying value of £18,294 (2007 - £21,968) and depreciation charge for the year of £3,674 (2007 - £3,346).

YCO Deuxmit Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

12. FIXED ASSET INVESTMENTS

Company	Total £
COST	
At 1 January 2007	2,307,054
Additions	921,164
At 1 January 2008	3,228,218
Additions	13,020,447
At 31 December 2008	16,248,665
CARRYING AMOUNT	
At 31 December 2008	16,248,665
At 31 December 2007	3,228,218

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The details of the subsidiaries are as set out below:

	Country of incorporation	Sharehol dings	Nature of business
Yacht Fuel Services Limited	UK	100%	Supply of marine fuel and lubricants
Yacht Help Group (Mallorca) S.L.	Spain	100%	Supply of goods and services to yachts
Yacht Help Group Gibraltar Ltd	Gibraltar	100%	Supply of goods and services to yachts
BA Yachts Assistance S.L.	Spain	100%	Supply of goods and services to yachts
YCO SAM	Monaco	100%	Supply of goods and services to yachts
YCO SARL *		100%	Supply of goods and services to yachts
YCO Yacht Limited * (formerly WBC Maritime Limited)	UK	100%	Supply of goods and services to yachts
YCO Support Limited *	Isle of Man	100%	Supply of goods and services to yachts
YCO London Limited *	UK	100%	Dormant
YCO Ltd *	UK	100%	Supply of goods and services to yachts

* These companies are wholly owned subsidiaries of YCO S.A.M.

YCO Deuxmii Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

12. FIXED ASSET INVESTMENTS (CONTINUED)

The Company acquired the whole issued share capital of Yacht Fuel Services Limited in 2005 for a total consideration of £2,307,054.

The Company acquired the whole issued share capital of Yacht Help Group (Mallorca) S.L. on 30 April 2007 for a total consideration of £400,000, satisfied by £100,000 in cash and £300,000 in shares.

The Company acquired the whole issued share capital of Yacht Help Group Gibraltar Limited on 30 April 2007 for a total cash consideration of £100,000.

The Company acquired the whole issued share capital of BA Yachts Assistance S.L. on 29 May 2007 for a total consideration of £418,598, satisfied by £251,251 in cash, £34,014 deferred consideration in cash and £133,333 deferred consideration in shares.

The Company acquired the whole issued share capital of YCO SAM on 27 May 2008 for a total consideration of £12,798,571, satisfied by £8,074,162 in cash and £4,724,409 in shares.

The results of the subsidiaries are as follows:

	2008	2007
	£	£
Yacht Fuel Services Limited		
Aggregate capital and reserves	1,137,844	884,568
Profit for the year	253,276	231,795
Yacht Help Group (Mallorca) S.L.		
Aggregate capital and reserves	(220,674)	(76,098)
Profit/(loss) for the year	(286,993)	2,778
Yacht Help Group Gibraltar Limited		
Aggregate capital and reserves	2,202	1,979
Profit/(loss) for the year	376	(4,201)
BA Yachts Assistance S.L.		
Aggregate capital and reserves	63,330	55,867
Profit for the year	7,463	49,761
YCO SAM SRL		
Aggregate capital and reserves	166,440	-
Loss for the year	(129,758)	-
YCO SARL		
Aggregate capital and reserves	35,797	-
Loss for the year	(12,813)	-
WBC Maritime Limited		
Aggregate capital and reserves	675	-
Profit for the year	14,065	-
YCO Support limited		
Aggregate capital and reserves	(11,361)	-
Loss for the year	(11,363)	-

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

13. INVENTORIES

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Finished goods	203,960	17,942	-	-

The directors consider that the carrying amount of inventories is at fair value.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Current:				
Trade receivables	3,990,435	991,069	-	-
Other receivables	581,761	55,432	-	-
Other taxes receivables	142,508	11,411	674	5,409
Prepayments	1,253,453	22,951	3,667	4,468
Receivables from Group undertakings	-	-	629,271	173,061
	<hr/>	<hr/>	<hr/>	<hr/>
	5,968,157	1,080,863	633,612	182,938
	<hr/>	<hr/>	<hr/>	<hr/>

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank current account	815,433	821,152	-	-
Bank deposit account	20,000	20,000	-	-
Cash in hand	23,850	7,974	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	859,283	849,126	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Current:				
Trade payables	5,072,033	1,821,000	167,290	30,168
Payables to Group undertakings	-	-	1,237,258	1,143,526
Social security and other taxes	278,733	71,364	22,626	536
Accruals and deferred income	2,562,460	61,709	228,599	21,661
Amounts owed to related parties	262,657	91,368	10,301	61,893
Other payables	142,237	9,306	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	8,318,120	2,054,747	1,666,074	1,257,784
	<hr/>	<hr/>	<hr/>	<hr/>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing expenses.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

17 FINANCIAL LIABILITIES - BORROWINGS

Maturity of the borrowings is as follows:

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Repayable within one year on demand				
Bank loans	1,355	51,689	-	-
Finance leases (see note 18)	22,417	38,523	16,667	-
Bank overdraft	-	66	502,977	66
	<hr/>	<hr/>	<hr/>	<hr/>
	23,772	90,278	519,644	66
Repayable between one and five years:				
Finance leases (see note 18)	41,113	9,633	31,944	-
	<hr/>	<hr/>	<hr/>	<hr/>
	64,885	99,911	551,588	66
	<hr/>	<hr/>	<hr/>	<hr/>

Yacht Help Group (Mallorca) S.L drew a bank loan of £55,172 (€80,000) on 10 March 2005. The loan is for a period of twelve years. The loan is subject to interest rate of 5.75% per annum on the outstanding loan amount. The outstanding loan balance was repaid during the year.

During the year, the Group and HSBC Bank Plc ("HSBC") agreed on a secured overdraft facility of £300,000. The facility is due for review in December 2009 and is being charged at an interest rate of 3% per annum above HSBC's sterling base rate, as published from time to time. Under the overdraft facility agreement, the Group has the right to set off the multi currency balances within the Group.

An unlimited corporate guarantee given by each of the Group companies in favour of HSBC given on 3 January 2008 to secure the Group's obligations under the loan facility above.

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

18. FINANCE LEASES

Group

Minimum lease payments under finance leases fall due as follows:

	2008	2007
	£	£
No later than one year	26,003	41,367
Later than one year but not more than five	46,900	10,520
	<hr/>	<hr/>
	72,904	51,887
Future finance obligations	(8,019)	(3,730)
	<hr/>	<hr/>
	64,885	48,157
	<hr/>	<hr/>

Yacht Help Group (Mallorca) S.L. finance lease is in respect of purchase of motor vehicles. The finance leases were repaid in full in May 2008. The interest rate was 8% per annum.

BA Yachts Assistance S.L. finance lease is in respect of a purchase of motor vehicle. The finance lease is for sixty months from 1 June 2007 to 1 May 2011. The interest rate is 12% per annum.

YCO Deuxmil PLC finance lease relates to the Microsoft Dynamics CRM project. The lease is for thirty six months from 11 November 2008 to 10 October 2010. The interest rate is 6% per annum.

19. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2008	2007
			£	£
142,857,143/1,000,000,000	Ordinary	0.35p/0.05p	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

Number:	Class:	Nominal value:	2008	2007
			£	£
48,166,401/150,895,806	Ordinary	0.35p/0.05p	168,584	75,448
1,342	Deferred	0.35p	5	-

* The deferred shares in the capital of the Company shall have no rights, powers or benefits attached to them whatsoever and, without limitation, shall not confer on the holders of deferred shares any right to vote, to share in a dividend declared by the Company or to appoint a director, provided that on a return of capital on a winding-up or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repayment to the holders of the ordinary shares of the amount paid up on such ordinary shares together with a premium of £10,000 per ordinary share and the balance of such assets shall be distributed among the holders of the ordinary shares and the holders of the deferred shares rateably according to the amount paid up on such shares.

YCO Deuxmil Pic

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

19. CALLED UP SHARE CAPITAL (CONTINUED)

On 1 May 2008, the issued share capital of the Company being 150,895,806 ordinary shares of 0.05p each was consolidated so that every seven shares of 0.05p each held by a shareholder became one ordinary share of 0.35p having all the rights attaching to the ordinary shares as set out in the articles of association, save that all residual holdings of less than seven ordinary shares held by a shareholder have not been consolidated as aforesaid but have been reclassified as deferred shares of 0.05p each having all the rights attaching to the deferred shares of 0.05p each as set out in the amended Articles of Association of the Company.

Also on 1 May 2008, the unissued share capital of the Company being 849,104,194 ordinary shares of 0.05p each was consolidated so that every seven shares of 0.05p each held by a shareholder became one ordinary share of 0.35p having all the rights attaching to the ordinary shares as set out in the articles of association, save that all residual holdings of less than seven ordinary shares held by a shareholder have not been consolidated as aforesaid but have been reclassified as deferred shares of 0.05p each having all the rights attaching to the deferred shares of 0.05p each as set out in the amended Articles of Association of the Company.

On 27 May 2008, the Company made share placement of 16,734,684 ordinary share of 0.35p each at 49p each.

On 27 May 2008, the Company issued 9,641,652 ordinary shares of 0.35p each at 49p, as part of the acquisition of YCO S.A.M.

On 27 October 2008, the Company issued 233,704 ordinary shares of 0.35p each at 34p in lieu of services provided by the employees of the Company's subsidiary as part of the acquisition of Yacht Help Group (Mallorca) S.L..

YCO Deuxmil Plc

Notes to the Financial Statements (Continued)
for the year ended 31 December 2008

20. RESERVES

Group	Retained earnings £	Share premium £	Other reserves £	Translation reserves £	Totals £
At 1 January 2007	146,157	1,072,813	-	-	1,218,970
Shares issued in the year	-	975,143	-	-	975,143
Profit for the year	275,711	-	-	-	275,711
Deferred equity to be issued	-	-	133,333	-	133,333
At 31 December 2007	421,868	2,047,956	133,333	-	2,603,157
Shares issued in the year	-	12,910,729	-	-	12,910,729
Loss for the year	(684,079)	-	-	-	(684,079)
Deferred equity to be issued	-	-	61,373	-	61,373
Translation reserve	-	-	-	28,329	28,329
At 31 December 2008	(262,211)	14,958,685	194,706	28,329	14,919,509
Company	Retained earnings £	Share premium £	Other reserves £	Translation reserves £	Totals £
At 1 January 2007	6,174	1,072,813	133,333	-	1,212,320
Shares issued in the year	-	975,143	-	-	975,143
Profit for the year	1,134	-	-	-	1,134
At 31 December 2007	7,308	2,047,956	133,333	-	2,188,597
Shares issued in the year	-	12,910,729	-	-	12,910,729
Loss for the year	(576,904)	-	-	-	(576,904)
Deferred equity to be issued	-	-	61,373	-	61,373
At 31 December 2008	(569,596)	14,958,685	194,706	-	14,583,795

YCO Deuxmll Marine Plc

**Notes to the Financial Statements - continued
for the year ended 31 December 2008**

21. RISK AND SENSITIVITY ANALYSIS

The Group's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, foreign currency risk, capital risk and credit risk. The Group's activities also expose it to non-financial risks: market risk. The Group's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on the Group's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

Interest rate and foreign currency risk

The Group does not have formal policies on interest rate risk or foreign currency risk. However, the Group's exposure in these areas (as at the balance sheet date) was minimal.

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than pound sterling (£). The Group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

The Group does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency, given the nature of the business for the time being.

The net unhedged financial assets and liabilities of the Group that are denominated in its functional currency are as follows:

Group	Financial Assets		Financial Liabilities	
	2008	2007	2008	2007
	£	£	£	£
Euro (€)	1,410,196	356,881	2,176,017	608,600
United States Dollars (US\$)	3,786,605	641,396	3,668,436	1,241,599
	<u>5,196,801</u>	<u>998,277</u>	<u>5,844,453</u>	<u>1,850,199</u>

The foreign exchange rates affecting the Group is as follows:

Group	Income statement		Balance sheet	
	2008	2007	2008	2007
	£	£	£	£
Euro (€)	0.79	0.68	0.97	0.68
United States Dollars (US\$)	<u>0.54</u>	<u>0.53</u>	<u>0.69</u>	<u>0.51</u>

YCO Deuxmil Marine Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

21. RISK AND SENSITIVITY ANALYSIS (CONTINUED)

Liquidity risk

The Group prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the company, to manage liquidity risk. The directors have considered the risk posed by liquidity and are satisfied that there is sufficient growth and equity in the company. The Group has an overdraft facility with the bank for £300,000 and is being charged at an interest rate of 3% per annum above HSBC's sterling base rate, as published from time to time. The overdraft facility is due for renewal in December 2009.

Capital risk

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Market risk

The market may not grow as rapidly as anticipated. The Group may lose customers to its competitors. The Group's major competitors may have significantly greater financial resources than those available to the company. There is no certainty that the company will be able to achieve its projected levels of sales or profitability.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies. The Group's credit risk is primarily attributable to its trade. The amounts presented in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experiences, is evidence of a reduction in the recoverability of the cash flows. The Group has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

22. FINANCIAL COMMITMENTS

Operating lease commitments

The Group leases office premises under a non-cancellable operating lease agreement, which contains various escalation clauses and renewal rights. The lease expenditure is charged to the income statement during the year as incurred. At the balance sheet date the Group was committed to payments under the operating lease agreement as follows:

	Land & buildings 2008 £	Land & buildings 2007 £	Others 2008 £	Others 2007 £
Less than one year	514,727	51,727	169,234	-
Between one and five years	1,857,004	5,260	141,704	-
More than five years	66,750	-	-	-
	<u>2,438,481</u>	<u>56,987</u>	<u>310,938</u>	<u>-</u>

Capital commitments

At the year end the Group had a capital commitment of £90,000 (2007 - £nil) for new software.

YCO Deuxmll Marine Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

23. RELATED PARTY TRANSACTIONS

The Company repaid loan advances by L J Milton and N Miller, who are directors of the Company.

	2008	2007
	£	£
L J Milton	(24,292)	(167,206)
N Miller	6,714	(130,462)

During the year, the Company paid legal fees of £143,886 (2007 - £9,500) to Beachcroft LLP, in which P Jay, is a Partner of the firm. This year's legal fee of £141,246 was in respect of the acquisition of YCO S.A.M.

Neil Miller was paid £18,000 (2007 - £nil) for rental of office premises.

All the above transactions with related parties were conducted at arms length.

The following amounts were owed to related parties:

	2008	2007
	£	£
B Alonso	-	63,489
L J Milton	-	24,292
N Miller	10,301	3,587
G Wright *	86,304	-
C Birkett *	77,350	-
J Clarke *	88,702	-

* The balance at the year end is in respect of the loan advanced prior to the acquisition of YCO S.A.M. The loan has no fixed repayment period and is interest free. J Clarke is a director in YCO S.A.M

During the year, the Group repaid B Alonso, a director of BA Yachts S.L, £34,014 and £29,475 in respect of deferred consideration on the acquisition of BA Yachts S.L., and for an advance respectively. At the year end, the Group did not have any amounts owing to B Alonso (2007 - £63,489).

YCO Deuxmil Marine Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

23. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year, the Company received management fees from Yacht Fuel Services Limited, YCO Yacht Limited (formerly WBC Maritime Limited) and YCO S.A.M. It also (advanced) or received loan from fellow subsidiaries. The details are as follows:

	2008	2007
	£	£
Yacht Fuel Services Limited – management fee	190,000	202,000
Yacht Fuel Services Limited	310,842	297,023
Yacht Help Group (Mallorca) S.L.	(252,958)	(158,061)
Yacht Help Group Gibraltar Limited.	(28,000)	(15,000)
BA Yachts Assistance S.L.	-	36,844
YCO Yacht limited (formerly WBC Maritime Limited) – management Fee	65,000	-
YCO S.A.M. – management Fee	420,000	-
	<hr/>	<hr/>

At 31 December 2008, the following amounts were due from or (owed to) subsidiary companies:

	2008	2007
	£	£
Yacht Fuel Services Limited	(1,227,523)	(1,106,682)
Yacht Help Group (Mallorca) S.L.	411,019	158,061
Yacht Help Group Gibraltar Limited	43,000	15,000
BA Yachts Assistance S.L.	(9,735)	(36,844)
YCO S.A.M.	110,252	-
YCO Yacht Limited (formerly WBC Maritime Limited)	65,000	-
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YCO DeuxmII Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

24. SHARE-BASED PAYMENTS

There is no charge for share-based payments as the fair values at the date of grant were below the exercise prices:

The details of the share options and warrants are as follows:

	2008		2007	
	Number of share options	Weighted average exercise Price £	Number of share options	Weighted average exercise Price £
Outstanding at the beginning of the year	4,333,333	0.05	4,333,333	0.05
At the beginning of the year after consolidation of shares (0.05p to 0.35p per share)	619,048	0.35	-	-
Granted on 2 May 2008	1,536,605	0.49	-	-
Granted on 2 May 2008	239,664	0.49	-	-
Granted on 2 May 2008	239,664	0.735	-	-
Forfeited	(142,857)	(0.35)	-	-
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Balance carried forward	2,492,124	0.487	4,333,333	0.05
	<hr/>	<hr/>	<hr/>	<hr/>

	2008		2007	
	Number of warrants	Weighted average exercise Price £	Number of warrants	Weighted average exercise Price £
Outstanding at the beginning of the year	-	-	-	-
Granted on 2 May 2008	239,664	0.49	-	-
Granted on 2 May 2008	239,664	0.735	-	-
Exercised	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	479,328	0.613	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

YCO Deuxmil Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

24. SHARE-BASED PAYMENTS (CONTINUED)

The fair values of the options granted have been calculated using Black-Scholes model assuming the inputs shown below:

Grant Date	May-08	Sep-06
Share price at grant date	38p	10p
Exercise price	49p/73.5p	5p
Option life in years	5 years	5 years
Risk free rate	5%	5%
Expected volatility	10%	10%
Expected dividend yield	0%	0%
Fair value of option	0p	0p

25. CONTINGENT LIABILITIES AND GUARANTEES

The Group has no contingent liabilities in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

A debenture in favour of HSBC Bank Plc was created on 11 January 2008 and registered on 18 January 2008 to secure the Group's obligations under the overdraft facility. The debenture is a fixed and floating charge over the Group's undertaking and all of its property and assets present and future including its goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery.

An unlimited corporate guarantee given by each of the Group companies in favour of HSBC was given on 3 January 2008 to secure the Group's obligations under the overdraft facility referred above.

On 9 January 2008, the Company provided a guarantee in favour of Banco Deposit Account Credito Balear, Spain for Euro 22,000.

At the year end, YCO limited had £356,604 overdrawn amount in clients' accounts. In the event that the yacht owners do not pay the overdrawn amount in the clients' accounts, the Group would be liable for the balance to the bank.

26. POST BALANCE SHEET EVENTS

On 2 March 2009, the Group received approval from HSBC Bank Plc for the increase in the overdraft facility by £200,000 to £500,000. The £200,000 increase is temporary which expires in July 2009. The interest rate for the additional £200,000 facility is base rate plus 5%.

YCO Deuxmil Plc

Notes to the Financial Statements - continued
for the year ended 31 December 2008

27. ULTIMATE CONTROLLING PARTY

The Company is quoted on the Alternative Investment Market of the London Stock Exchange. At the date of the annual report, in the Directors opinion there is no one controlling party. In total the directors owned 28% of the share capital of the Company as at 31 December 2008.

As at the date of this report, there is no one controlling party.